

May 14, 2003

United States House of Representatives Washington, DC 20515

Dear Representative:

As the 108th Congress continues its annual debate over the nation's priorities, the enactment of a voluntary, universal, affordable and comprehensive prescription drug benefit in the Medicare program should remain at the top of the list.

Representatives Rangel (D-NY), Dingell (D-MI), and Stark (D-CA) have introduced H. R. 1199 that meets these essential criteria. This proposal includes a \$25 monthly premium, \$100 annual deductible, significant coinsurance (in which Medicare pays 80 per cent of the prescription cost) and an out-of-pocket limit of \$2,000 for beneficiaries. In addition, beneficiaries, who have incomes below 150 percent of the poverty level, are fully subsidized. This is not a small or inexpensive program, but it is one that older Americans both need and deserve.

H. R. 1199 is a prescription drug plan that truly modernizes Medicare by filling a real need and preserving freedom of choice for seniors. It stands in stark contrast to so-called Medicare reform proposals that would force the elderly to leave the existing Medicare program and join expensive HMOs or other forms of managed care in order to get prescription drug coverage. More than 85 percent of our nation's seniors are in traditional Medicare, which allows them to choose their own doctors. Further, these "reform" proposals ignore the fact that HMOs have dropped more than 2.5 million Medicare beneficiaries from their rolls, and many have drastically reduced their coverage of prescription drugs. Also, in many areas of our country, there are no managed care plans available at all. It is essential, therefore, that a voluntary, universal, affordable and comprehensive prescription drug program be available within the existing Medicare program--one of the most successful federal programs ever.

H.R. 1199 meets all of these criteria. On behalf of the 1.2 million members of the American Federation of Teachers, I urge you to support this vital legislation.

Sincerely,

Charlotte J. Fraas

Director, Department of Legislation

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American Federation of Federations

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